



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Financial Audit*

*Michigan Broadband Development Authority*  
*(A Component Unit of the State of Michigan)*  
*Fiscal Year Ended September 30, 2006*

Report Number:  
641-0810-07

Released:  
July 2007

*A financial audit determines if the financial statements are fairly presented, considers internal control over financial reporting, and determines compliance with State compliance requirements material to the financial statements. This financial audit of the Michigan Broadband Development Authority (MBDA) was conducted as part of the constitutional responsibility of the Office of the Auditor General.*

***Financial Statements:***

**Auditor's Report Issued**

We issued an unqualified opinion on MBDA's financial statements.

~ ~ ~ ~ ~

**Internal Control Over Financial Reporting**

We did not report any findings related to internal control over financial reporting.

~ ~ ~ ~ ~

**Noncompliance and Other Matters  
Material to the Financial Statements**

We did not identify any instances of noncompliance or other matters applicable to the financial statements that are required to be reported under *Government Auditing Standards*.

~ ~ ~ ~ ~

***Background:***

MBDA was created by Act 49, P.A. 2002, to assist in the development and utilization of high-speed broadband Internet services and infrastructure across Michigan. MBDA is governed by an 11-member board of directors that consists of the director of the Department of Labor and Economic Growth, the State Treasurer, the executive director of the Michigan State Housing Development Authority (MSHDA), and 8 members appointed by the Governor with the advice and consent of the Senate.

MBDA management has implemented a plan that will budget the resources available for operating expenses to enable MBDA to function past the end of fiscal year 2005-06. The resources should enable MBDA to function through April 16, 2007. After this date, MBDA will be inactive and MSHDA will assume all MBDA responsibilities.

~ ~ ~ ~ ~

A copy of the full report can be  
obtained by calling 517.334.8050  
or by visiting our Web site at:  
<http://audgen.michigan.gov>



Michigan Office of the Auditor General  
201 N. Washington Square  
Lansing, Michigan 48913

**Thomas H. McTavish, C.P.A.**  
Auditor General

**Scott M. Strong, C.P.A., C.I.A.**  
Deputy Auditor General